

Message Text

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TO USDEL SECRETARY PRIORITY

C O N F I D E N T I A L STATE 234468 TOSEC 270499

E.O. 11652: GDS

TAGS: EAIR, UR, US

SUBJECT: ACTION MEMORANDUM - GROMYKO MESSAGE REGARDING
US-SOVIET CIVIL AIR RELATIONS (S/S NO. 7619820)

FOR THE SECRETARY FROM HARTMAN AND KATZ THROUGH SONNENFELDT

1. THE PROBLEM

WE ARE FAR FROM A SATISFACTORY CIVIL AVIATION AGREEMENT ON
SCHEDULED AND CHARTER FLIGHT SERVICES. FOREIGN MINISTER
GROMYKO HAS SENT YOU AN ORAL MESSAGE REGISTERING HIS
CONCERN (STATE 220255, TOSEC (260078). WE BELIEVE IT IS
IMPORTANT FOR US TO REPLY YOU MEET GROMYKO AT THE
UNGA.

2. BACKGROUND/ANALYSIS

GROMYKO'S MESSAGE IS COMPRISED OF (A) SOVIET COMPLAINTS
ABOUT THE USG'S DISAPPROVAL OF A 1975 PAN AM-AEROFLOT
AGREEMENT (WHICH WOULD HAVE ONLY AGGRAVATED THE IMBALANCE
OF BENEFITS ALREADY HEAVILY IN AEROFLOT'S FAVOR), (B)

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AS A "PRETEXT" FOR IMPEDING FURTHER CIVIL AVIATION DEVELOPMENTS AND (C) AN IMPLICIT THREAT TO CUT OFF US CHARTER FLIGHTS TO THE USSR AFTER MARCH 31, 1977 IF A CIVIL AVIATION AGREEMENT SATISFACTORY TO THEM IS NOT REACHED. ITS CONCLUDING PARAGRAPH, HOWEVER, SUGGESTS THAT THE SOVIETS MAY BE WILLING TO RESUME MEANINGFUL NEGOTIATIONS.

THE LAST THREE ROUNDS OF TALKS PRODUCED NO AGREEMENT ON SCHEDULED AND CHARTER SERVICES, ALTHOUGH THE US MADE SEVERAL PROPOSALS (INCLUDING REVENUE POOLING) WHICH WOULD INCREASE AIR SERVICES AND MARKET SHARES, AND AT THE SAME TIME CORRECT THE FUNDAMENTAL IMBALANCE OF BENEFITS. THE SOVIETS REFUSED TO CONSIDER THE US PROPOSALS AND FAILED TO OFFER ANY NEW ALTERNATIVES OF THEIR OWN. NO DATE FOR THE NEXT MEETING HAS BEEN SET, BUT IT IS OPEN TO EITHER SIDE TO REQUEST IT. ORDINARILY, IN THE ABSENCE OF AN AGREEMENT, THE AIRLINES WOULD BE AUTHORIZED TO OPERATE ONLY TWO FLIGHTS PER WEEK AFTER OCTOBER 31 (THEY ARE CURRENTLY AUTHORIZED TO OPERATE FOUR).

THE SITUATION HAS BEEN EXACERBATED BY THE SOVIETS' REFUSAL SINCE MAY TO ISSUE TICKETS TO CERTAIN PERSONS DESIRING TO LY INDIRECT ROUTES ON PAN AM, THUS VIOLATING ARTICLE 14 OF THE 1966 CIVIL AIR TRANSPORT AGREEMENT AND THE INTERLINE AGREEMENT UNDER WHICH THE AIRLINES AGREED TO ACT AS EACH OTHER'S SALES AGENTS IN THEIR RESPECTIVE COUNTRIES. WE HAVE MADE REPRESENTATIONS CONCERNING THIS MATTER, AND HAVE ASKED THE CIVIL AERONAUTICS BOARD TO RESTRICT THE SALE OF AEROFLOT SERVICES IN THE US. WE ARE URGING THE CAB TO ACT ON THIS QUESTION QUICKLY.

IN ADDITION, AEROFLOT HAS THREATENED TO DISALLOW US CHARTER FLIGHTS AFTER MARCH 31, 1977 IF THEY DO NOT GET THEIR WAY ON A GENERAL CIVIL AIR AGREEMENT. WE WERE GIVEN ASSURANCES FOR THE FACILITATION OF CHARTER FLIGHTS IN 1973 AS AN IMPLICIT "QUID PRO QUO" FOR AEROFLOT RIGHTS TO SERVICE WASHINGTON. IF THE SOVIETS CUT CHARTER FLIGHTS, WE SEE NO REASON WHY THEY SHOULD BE ALLOWED TO OPERATE FLIGHTS TO BOTH NEW YORK AND WASHINGTON. ELIMINATING ONE OR THE OTHER SERVICE WOULD REDUCE AEROFLOT TO ONE
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FREQUENCY PER WEEK.

3. RECOMMENDATION

THAT YOU AUTHORIZE US TO MAKE THE FOLLOWING REPLY TO THE SOVIET EMBASSY AT AN APPROPRIATE LEVEL.

APPROVE DISAPPROVE

BEGIN TEXT. SECRETARY KISSINGER HAS AUTHORIZED ME TO MAKE THE FOLLOWING REPLY TO FOREIGN MINISTER GROMYKO'S MESSAGE REGARDING US-SOVIET CIVIL AVIATION RELATIONS:

WE FULLY SHARE THE DESIRE EXPRESSED IN THE FOREIGN MINISTER'S MESSAGE TO EXPAND AIR SERVICES BETWEEN OUR TWO COUNTRIES. WE AGREE THAT SUCH EXPANSION CONTRIBUTES POSITIVELY TO THE DEVELOPMENT OF US-SOVIET RELATIONS.

THE QUESTION OF AIR SERVICES IS, WE MAINTAIN, A MATTER FOR INTERGOVERNMENTAL DECISIONS. THE 1975 INTERLINE AGREEMENT WAS REACHED BY THE TWO CARRIERS. AFTER DETAILED AND CAREFUL STUDY, THE GOVERNMENT OF THE UNITED STATES CONCLUDED THAT THIS AGREEMENT WOULD MERELY AGGRAVATE THE FUNDAMENTAL IMBALANCE OF BENEFITS WHICH ALREADY EXISTS IN AEROFLOT'S FAVOR. THIS IMBALANCE RESULTS NOT FROM INSUFFICIENT EFFORTS BY PAN AMERICAN TO PROMOTE AND MARKET ITS SERVICES, BUT RATHER FROM STRUCTURAL DIFFERENCES WHICH EXIST IN OUR TWO NATIONS' POLITICAL AND ECONOMIC SYSTEMS.

FULLY RECOGNIZING THESE POLITICAL-ECONOMIC DIFFERENCES, THE UNITED STATES, DURING THE PAST THREE ROUNDS OF NEGOTIATIONS, HAS SUGGESTED VARIOUS MEANS, INCLUDING REVENUE POOLING, BY WHICH BOTH AIRLINES COULD EXPAND AIR SERVICES AND MARKET SHARES, AND AT THE SAME TIME CORRECT THE FUNDAMENTAL IMBALANCE. SINCE THE SOVIET UNION HAS SUCH ARRANGEMENTS WITH OTHER COUNTRIES, IT IS DIFFICULT FOR US TO UNDERSTAND WHY THE SOVIET SIDE HAS REJECTED OUR PROPOSALS OUT-OF-HAND, PARTICULARLY WHEN IT HAS OFFERED NO NEW PROPOSALS OF ITS OWN. CONTINUED FAILURE TO REACH AGREEMENT CAN ONLY LEAD TO A REDUCTION OF AIR SERVICES TO MINIMUM LEVELS, WHICH WOULD DAMAGE US-SOVIET RELATIONS. CONFIDENTIAL

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AT THE SAME TIME, WE NOTE THAT THE USSR CONTINUES TO VIOLATE THE 1966 BILATERAL AGREEMENT BY REFUSING TO SELL TICKETS TO CERTAIN PERSONS DESIRING TO USE PAN AMERICAN SERVICES. WE CONSIDER AN END TO THESE VIOLATIONS AN ESSENTIAL PRECONDITION FOR THE CONCLUSION OF ANY NEW ARRANGEMENT.

WE ARE PARTICULARLY CONCERNED ABOUT THE THREAT IN THE FOREIGN MINISTER'S MESSAGE TO DISALLOW CHARTER FLIGHTS BY US CARRIERS. IN THIS CONNECTION, WE NOTE THAT AEROFLOT RECEIVED RIGHTS TO SERVICE WASHINGTON ONLY WHEN WE WERE GIVEN ASSURANCES FOR THE FACILITATION OF CHARTER FLIGHTS IN 1973.

WE WELCOME YOUR STATEMENT THAT THE SOVIET CIVIL AVIATION
AUTHORITIES ARE READY TO DISCUSS AND RESOLVE PROBLEMS OF
COOPERATION, ON THE BASIS OF EQUALITY AND MUTUAL BENEFIT.
WE BELIEVE THE SEVERAL AND VARIED PROPOSALS OFFERED BY
THE UNITED STATES DURING THE PAST THREE ROUNDS OF TALKS
CONTAIN BASIC PRINCIPLES FOR FURTHER, AND CONSTRUCTIVE,
NEGOTIATION. WE BELIEVE IT IS NOW TIME FOR THOSE RESPON-
SIBLE FOR THE BROADER ASPECTS OF US-SOVIET RELATIONS
TO TAKE AN ACTIVE INTEREST IN THE QUESTION OF CIVIL
AVIATION AND YOUR MESSAGE INDICATES THAT THE SOVIET
GOVERNMENT HAS COME TO RECOGNIZE THE SERIOUSNESS OF THE
PRESENT COURSE OF EVENTS. WE TRUST THAT THE SOVIET SIDE
WILL ALSO BE COGNIZANT OF THE IMPORTANCE THE UNITED STATES
ATTACHES TO THE PROBLEM OF IMBALANCE. IF THE SOVIET
UNION IS PREPARED TO ADHERE TO INTERGOVERNMENTAL AGREE-
MENTS AND ARRANGEMENTS NOW IN EFFECT AND IS WILLING TO TAKE
A MORE POSITIVE APPROACH TO SOME OF THE BASIC PRINCIPLES
PROPOSED BY THE US SIDE IN THE PAST THREE ROUNDS OF TALKS,
WE WOULD BE PREPARED TO RESUME NEGOTIATIONS AT AN EARLY
DATE, AND WOULD WELCOME YOUR PROPOSALS FOR A TIME AND
PLACE FOR SUCH A RESUMPTION. END TEXT.

4. DRAFTED: EUR/SOV:MDIXON. CLEARED: SONNENFELDT.

APPROVED: EUR:HARTMAN, EB:KATZ

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5. FOR S/S: STATE 220255, TOSEC 260078 BEING REPEATED
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TO YOU. ROBINSON

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